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10 UNITED STATES BANKRUPTCY COURT  
11 DISTRICT OF NEVADA

12 In re  
13 META MATERIALS INC.,  
14 Debtor.

Case No.: 24-50792-hlb  
(Chapter 7)

**TRUSTEE’S MOTION FOR ORDER  
APPROVING SALE OF PERSONAL  
PROPERTY**

Hearing Date: September 30, 2025  
Hearing Time: 1:30 p.m.

16 Chapter 7 trustee Christina Lovato (“Trustee”), files her Motion for an order authorizing a  
17 sale of estate personal property assets (“Sale Motion”). The proposed sale is pursuant to 11 U.S.C.  
18 §§ 363(b) and 704(1), F.R.Bankr.P. 6004 and 9014, and supported by the separately filed  
19 Declaration of Christina Lovato. The Trustee also requests waiver of the 14-day stay under  
20 F.R.Bankr.P. 6004(h). Finally, as permitted by F.R.Evid. 201, the Trustee also requests the Court  
21 take judicial notice of the papers on file in this case.

**RELEVANT FACTS**

23 Meta Materials Inc. (“Meta”) filed its chapter 7 petition on August 9, 2024. Trustee Lovato  
24 was appointed to administer the estate (“Estate”). [ECF No. 14]. Through her review of the  
25 Schedules of Assets and Liabilities and the Statement of Financial Affairs, as well as information  
26 provided by former employees of Meta, Trustee Lovato learned that Meta was a publicly held  
27 company which, directly and through a series of subsidiary entities, was engaged in the business  
28 of advanced materials and nanotechnology solutions with a substantial intellectual property

1 portfolio. Meta developed techniques for producing nanostructures resulting in a wide range of  
 2 ground-breaking solutions that can control light and heat on a very small scale. Some of the areas  
 3 of advancement that have contributed to these techniques are photonic crystals, nanolithography,  
 4 plasmonic phenomena and nanoparticle manipulation. Meta ceased operations and filed its chapter  
 5 7 petition following its de-listing by NASDAQ. One of Meta’s business operations was conducted  
 6 in offices located at 30 Columbia Corporate Center, Columbia, Maryland 21044, (referred to as  
 7 the “Baltimore offices”). When operations ceased, employees were terminated, and personal  
 8 property equipment, primarily in the form of computer servers, remained at the Baltimore offices  
 9 (“Personal Property”).

10 The Trustee is informed and believes that three employees at the Baltimore offices were  
 11 developing software applications related to some of the technology for which Meta had filed patent  
 12 applications. Those former employees are David Chester (“Chester”), David Sokolove  
 13 (“Sokolove”), and Jonathan Edwards (“Edwards”), and were founders of a company acquired by  
 14 Meta Materials, Inc. in 2022. These former employees are the proposed purchasers (“Purchasers”),  
 15 of the Personal Property which is the subject of this Motion. Each of Chester, Sokolove and  
 16 Edwards filed proofs of claim in the Meta chapter 7 case for breach of contract related to  
 17 employment agreements entered into in 2022. The collective amount of these claims is  
 18 \$12,500,000.<sup>1</sup>

19 The Personal Property which is the subject of this Motion is described as follows:

- 20 1) All right, title, and interest in the Maryland IP, including the assets described as “Lot  
 21 1004” by the auctioneer, and all related IP to include software, design, and associated IP,  
 22 and all right, title, and interest in any software and source code (together described as the  
 “Maryland IP”); and
- 23 2) All right, title, and interest in any residual Maryland equipment, comprised primarily of  
 24 miscellaneous computer hardware and test equipment from the former Meta Materials  
 25 office located at 10440 Little Patuxent Parkway, Suite 1000, Columbia, MD 21044  
 (the “Maryland Equipment”).

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26  
 27  
 28 <sup>1</sup> Proofs of Claim Nos. 6, 7 and 8. The breach of contract claims are supported by extensive  
 documentation.

1 A copy of Lot 1004 describing the IP patent applications is attached hereto as **Exhibit A**. The  
 2 Trustee does not have a detailed description of the computer hardware and related components.

### 3 **OFFER**

4 Through their counsel, Chester, Sokolove and Edwards have offered to purchase the  
 5 Maryland IP and the Maryland Equipment for a total of \$15,000 and a waiver/withdrawal of their  
 6 respective proofs of claim totaling \$12,500,000.

### 7 **AUTHORITY**

8 One of the Trustee's duties is to reduce property of the estate to money. Procedurally, the  
 9 sale of estate assets is governed by 11 U.S.C. § 363(b)(1) which provides, that other than in the  
 10 ordinary course of business, after notice and a hearing the trustee may sell property of the estate.

11 The business judgment rule applies to a trustee's determination regarding sales of estate  
 12 assets. Sales are an exercise of a fiduciary duty that requires an articulated business justification.  
 13 On this concept, the court in *In re Alaska Fishing Adventure, LLC*, 594 B.R. 883 (Bankr. AK.  
 14 2018) held:

15 In the context of sales of estate property under § 363, a bankruptcy court "should  
 16 determine only whether the trustee's judgment was reasonable and whether a sound  
 17 business justification exists supporting the sale and its terms. Normally sales will be for  
 18 cash but in appropriate circumstances property may be sold for credit or may be  
 19 exchanged if the transaction promotes the ultimate objective of liquidating...the estate in  
 20 a manner most advantageous to creditors. Thus, the matter will ultimately rest in the  
 judgment and discretion of the trustee...." In short, "[t]he trustee's business judgment is to  
 be given 'great judicial deference.'

21 594 B.R. at 890. Here, the IP component of the personal property being sold consists of pending  
 22 patent applications, i.e., not fully perfected/approved patents. The Trustee does not believe it  
 23 would be prudent to engage patent counsel to proceed with the perfection process in the hope that  
 24 there would be more value added. In addition, the waiver of unsecured claims exceeding \$12  
 25 million results in a meaningful benefit to other unsecured creditors holding allowed claims.

**CONCLUSION**

Based upon the foregoing, Trustee Lovato requests an Order authorizing a sale of the Maryland Equipment and a sale and assignment of the Maryland IP to the Purchasers for \$15,000. As directed by F.R.Bankr.P. 6004(f)(2), the Trustee also requests authority to execute such documentation as may be required in connection with transferring title to the Property being sold.

Finally, the Trustee requests waiver of the 14-day stay of F.R.Bankr.P. 6004(h).

DATED: August 26, 2025.

**HARTMAN & HARTMAN**

/s/ Jeffrey L. Hartman

Jeffrey L. Hartman, Esq., Attorney for Trustee